

WORLD-SYSTEMS ANALYSIS    *An Introduction*

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# CONTENTS

Acknowledgments	vii
To Start: Understanding the World in Which We Live	ix
1 Historical Origins of World-Systems Analysis: From Social Science Disciplines to Historical Social Sciences	1
2 The Modern World-System as a Capitalist World-Economy: Production, Surplus-Value, and Polarization	23
3 The Rise of the States-System: Sovereign Nation-States, Colonies, and the Interstate System	42
4 The Creation of a Geoculture: Ideologies, Social Movements, Social Science	60
5 The Modern World-System in Crisis: Bifurcation, Chaos, and Choices	76
Glossary	91
Bibliographical Guide	101
Index	105

unknown one to the other. Yet collectively, they represented a major critique of the existing structures of knowledge. This intellectual upheaval was followed by the cultural shock of the revolutions of 1968. And those events brought the pieces together. The world revolution of 1968 of course primarily concerned a series of major political issues: the hegemony of the United States and its world policies, which had led it into the Vietnam war; the relatively passive attitude of the Soviet Union, which the 1968 revolutionaries saw as "collusion" with the United States; the inefficacy of the traditional Old Left movements in opposing the status quo. We shall discuss these issues later.

REVOLUTIONS  
of 1968.

In the process of the upheaval, however, the revolutionaries of 1968, who had their strongest base in the world's universities, also began to raise a number of issues about the structures of knowledge. At first, they raised questions about direct political involvement of university scholars in work that supported the world status quo—such as physical scientists who did war-related research and social scientists who provided material for counterinsurgency efforts. Then they raised questions about neglected areas of work. In the social sciences, this meant the neglected histories of many oppressed groups: women, "minority" groups, indigenous populations, groups with alternative sexual dispositions or practices. But eventually, they began to raise questions about underlying epistemologies of the structures of knowledge.

It is at this point, in the early 1970s, that people began to speak explicitly about world-systems analysis as a perspective. World-systems analysis was an attempt to combine coherently concern with the unit of analysis, concern with social temporalities, and concern with the barriers that had been erected between different social science disciplines.

World-systems analysis meant first of all the substitution of a unit of analysis called the "world-system" for the standard unit of analysis, which was the national state. On the whole, historians had been analyzing national histories, economists national economies, political scientists national political structures, and sociologists national societies. World-systems analysts raised a skeptical eyebrow, questioning whether any of these objects of study really existed, and in any case whether they were the most useful loci of analysis. Instead of national states as the object of study, they substituted "historical systems" which, it was argued, had existed up to now in only three variants: minisystems; and "world-systems" of two kinds—world-economies and world-empires.

Note the hyphen in world-system and its two subcategories, world-economies and world-empires. Putting in the hyphen was intended to underline that we are talking not about systems, economies, empires of the

WORLD-  
SYSTEMS  
ANALYSIS  
as a perspective  
(early 1970s)

(whole) world, but about systems, economies, empires that are a world (but quite possibly, and indeed usually, not encompassing the entire globe). This is a key initial concept to grasp. It says that in "world-systems" we are dealing with a spatial/temporal zone which cuts across many political and cultural units, one that represents an integrated zone of activity and institutions which obey certain systemic rules.

Actually, of course, the concept was initially applied primarily to the "modern world-system" which, it is argued, takes the form of a "world-economy." This concept adapted Braudel's usage in his book on the Mediterranean, and combined it with the core-periphery analysis of ECLA. The case was made that the modern world-economy was a capitalist world-economy—not the first world-economy ever but the first world-economy to survive as such for a long period and thrive, and it did this precisely by becoming fully capitalist. If the zone that was capitalist was not thought to be a state but rather a world-economy, then Dobb's so-called internal explanation of the transition from feudalism to capitalism made little sense, since it implied that the transition occurred multiple times, state by state, within the same world-system.

There was in this way of formulating the unit of analysis a further link to older ideas. Karl Polanyi the Hungarian (later British) economic historian, had insisted on the distinction between three forms of economic organization which he called reciprocal (a sort of direct give and take), redistributive (in which goods went from the bottom of the social ladder to the top to be then returned in part to the bottom), and market (in which exchange occurred in monetary forms in a public arena). The categories of types of historical systems—minisystems, world-empires, and world-economies—seemed to be another way of expressing Polanyi's three forms of economic organization. Mini-systems utilized reciprocity, world-empires redistributive, and world-economies market exchanges.

The Prebisch categories were incorporated as well. A capitalist world-economy was said to be marked by an axial division of labor between core-like production processes and peripheral production processes, which resulted in an unequal exchange favoring those involved in core-like production processes. Since such processes tended to group together in particular countries, one could use a shorthand language by talking of core and peripheral zones (or even core and peripheral states), as long as one remembered that it was the production processes and not the states that were core-like and peripheral. In world-systems analysis, core-periphery is a relational concept, not a pair of terms that are reified, that is, have separate essential meanings.

What then makes a production process core-like or peripheral? It came to

core and peripheral =  
production processes  
core-periphery =  
relational concept

be seen that the answer lay in the degree to which particular processes were relatively monopolized or relatively free market. The processes that were relatively monopolized were far more profitable than those that were free market. This made the countries in which more core-like processes located wealthier. And given the unequal power of monopolized products vis-à-vis products with many producers in the market, the ultimate result of exchange between core and peripheral products was a flow of surplus-value (meaning here a large part of the real profits from multiple local productions) to those states that had a large number of core-like processes.

Braudel's influence was crucial in two regards. First, in his later work on capitalism and civilization, Braudel would insist on a sharp distinction between the sphere of the free market and the sphere of monopolies. He called only the latter capitalism and, far from being the same thing as the free market, he said that capitalism was the "anti-market." This concept marked a direct assault, both substantively and terminologically, on the conflation by classical economists (including Marx) of the market and capitalism. And secondly, Braudel's insistence on the multiplicity of social times and his emphasis on structural time—what he called the *longue durée*—became central to world-systems analysis. For world-systems analysts, the *longue durée* was the duration of a particular historical system. Generalizations about the functioning of such a system thus avoided the trap of seeming to assert timeless, eternal truths. If such systems were not eternal, then it followed that they had beginnings, lives during which they "developed," and terminal transitions.

On the one hand, this view strongly reinforced the insistence that social science had to be historical, looking at phenomena over long periods as well as over large spaces. But it also opened, or reopened, the whole question of "transitions." Dobb and Sweezy had put forward quite different explanations of the transition from feudalism to capitalism, but they shared the sense that whatever explained the transition, it was an inevitable occurrence. This conviction reflected the Enlightenment theory of progress, which had informed both classical liberal thought and classical Marxist thought. World-systems analysts began to be skeptical about the inevitability of progress. They saw progress as a possibility rather than a certainty. They wondered whether one could even describe the construction of a capitalist world-economy as progress. Their skeptical eye allowed them to incorporate within an account of human history the realities of those systems that had been grouped under the label "Asiatic mode of production." One didn't need to worry any longer whether these structures were located at some particular point on a linear historical curve. And one could now ask why the transition

from feudalism to capitalism occurred at all (as though the possibility that it might not have occurred were a real alternative), and not assume its inevitability and look merely at what were the immediate causes of the transition.

The third element in world-systems analysis was its lack of deference to the traditional boundaries of the social sciences. World-systems analysts analyzed total social systems over the *longue durée*. Thus they felt free to analyze materials that had once been considered the exclusive concern of historians or economists or political scientists or sociologists, and to analyze them within a single analytical frame. The resulting world-systems analysis was not multidisciplinary, since the analysts were not recognizing the intellectual legitimacy of these disciplines. They were being undisciplined.

Of course, the triple set of critiques—world-systems rather than states as units of analysis, insistence on the *longue durée*, and a multidisciplinary approach—represented an attack on many sacred cows. It was quite expectable that there would be a counterattack. It came, immediately and vigorously, from four camps: nomothetic positivists, orthodox Marxists, state autonomists, and cultural particularists. The main criticism of each has been that its basic premises have not been accepted by world-systems analysis. This is of course correct but hardly an intellectually devastating argument.

Nomothetic positivists have argued that world-systems analysis is essentially narrative, its theorizing based on hypotheses that have not been rigorously tested. Indeed, they have often argued that many of the propositions of world-systems analysis are not disprovable, and therefore inherently invalid. In part, this is a critique of insufficient (or nonexistent) quantification of the research. In part, this is a critique of insufficient (or nonexistent) reduction of complex situations to clearly defined and simple variables. In part, this is a suggestion of the intrusion of value-laden premises into the analytic work.

Of course, this is in effect the reverse of the critique by world-systems analysts of nomothetic positivism. World-systems analysts insist that rather than reduce complex situations to simpler variables, the effort should be to complexify and contextualize all so-called simpler variables in order to understand real social situations. World-systems analysts are not against quantification per se (they would quantify what can usefully be quantified), but (as the old joke about the drunk teaches us) they feel that one should not look for the lost key only under the street lamp just because the light is better (where there are more quantifiable data). One searches for the most appropriate data in function of the intellectual problem; one doesn't choose the problem because hard, quantitative data are available. This debate can be what the French call a dialogue of the deaf. In the end, the issue is not an abstract issue about correct methodology but is about whether world-systems

Sphere of free market vs. sphere of monopolies (Braudel)

The Braudelian "LONG DUREE" = the duration of a particular historical system.

USA view on "progress"

→ progress is perceived by the society

USA "undisciplined" approach

CRITICISM

Nomothetic positivists' criticism

analysts or rather nomothetic positivists can offer more plausible explanations of historical reality and therefore throw more light on long-term, large-scale social change.

If nomothetic positivists sometimes give the impression of insisting on a cramped and humorless set of intellectual constraints, so-called orthodox Marxists can give them a run for their money. Orthodox Marxism is mired in the imagery of nineteenth-century social science, which it shares with classical liberalism: capitalism is inevitable progress over feudalism; the factory system is the quintessential capitalist production process; social processes are linear; the economic base controls the less fundamental political and cultural superstructure. The critique by Robert Brenner, an orthodox Marxist economic historian, of world-systems analysis is a good example of this point of view.

The Marxist criticism of world-systems analysis is therefore that in discussing a core-peripheral axis of the division of labor, it is being circulationist and neglecting the productionist base of surplus-value and the class struggle between the bourgeoisie and the proletariat as the central explanatory variable of social change. World-systems analysis is charged with failing to treat non-wage-labor as anachronistic and en route to extinction. Once again, the critics are inverting criticisms leveled at them. World-systems analysts have insisted that wage-labor is only one of the many forms of labor control within a capitalist system, and not at all the most profitable one from the point of view of capital. They have insisted that the class struggle and all other forms of social struggle can be understood and evaluated only within the world-system taken as a whole. And they have insisted that states in the capitalist world-economy do not have the autonomy or isolation which makes it possible to label them as having a particular mode of production.

The state-autonomist critique is a bit the obverse of the orthodox Marxist critique. Whereas the orthodox Marxists argue that world-systems analysis ignores the determining centrality of the mode of production, the state-autonomists argue that world-systems analysis makes the political sphere into a zone whose realities are derived from, determined by, the economic base. The critiques of the sociologist Theda Skocpol and the political scientist Aristide Zolberg argue this case, inspired by the earlier work of the German historian Otto Hintze. This group insists that one cannot explain what goes on at the state level or the interstate level simply by thinking of these arenas as part of a capitalist world-economy. The motivations that govern action in these arenas, they say, are autonomous and respond to pressures other than behavior in the market.

Finally, with the rise of the various "post"-concepts linked to cultural studies, world-systems analysis has been attacked with arguments analogous

to those used by the state-autonomists. World-systems analysis is said to derive the superstructure (in this case, the cultural sphere) from its economic base and to disregard the central and autonomous reality of the cultural sphere (see for example the critique of the cultural sociologist Stanley Aronowitz). World-systems analysts are accused of having the faults both of nomothetic positivism and of orthodox Marxism, although world-systems analysts see themselves as critics of both these schools of thought. World-systems analysis is charged with being just one more version of "grand narrative." Despite the claim that world-systems analysis is devoted to "total history," it is taxed with economism, that is, with giving priority to the economic sphere over other spheres of human activity. Despite its early and strong attack against Eurocentrism, it is accused of being Eurocentric by not accepting the irreducible autonomy of different cultural identities. In short, it neglects the centrality of "culture."

Of course, world-systems analysis is indeed a grand narrative. World-systems analysts argue that all forms of knowledge activity necessarily involve grand narratives, but that some grand narratives reflect reality more closely than others. In their insistence on total history and multidisciplinary, world-systems analysts refuse to substitute a so-called cultural base for an economic base. Rather, as we have said, they seek to abolish the lines between economic, political, and sociocultural modes of analysis. Above all, world-systems analysts do not wish to throw the baby out with the bath. To be against scientism is not to be against science. To be against the concept of timeless structures does not mean that (time-bound) structures do not exist. To feel that the current organization of the disciplines is an obstacle to overcome does not mean that there does not exist collectively arrived-at knowledge (however provisional or heuristic). To be against particularism disguised as universalism does not mean that all views are equally valid and that the search for a pluralistic universalism is futile.

What these four critiques have in common is the sense that world-systems analysis lacks a central actor in its recounting of history. For nomothetic positivism, the actor is the individual, *homo rationalis*. For orthodox Marxism, the actor is the industrial proletariat. For the state-autonomists, it is the political man. For cultural particularists, each of us (different from all the others) is an actor engaged in autonomous discourse with everyone else. For world-systems analysis, these actors, just like the long list of structures that one can enumerate, are the products of a process. They are not primordial atomic elements, but part of a systemic mix out of which they emerged and upon which they act. They act freely, but their freedom is constrained by their biographies and the social prisons of which they are a part. Analyzing their prisons liberates them to the maximum degree that they can be liber-

ACTORS of  
history

Orthodox Marxism  
critique

State autonomist  
critique

Cultural  
studies



ated. To the extent that we each analyze our social prisons, we liberate ourselves from their constraints to the extent that we can be liberated.

Lastly, it must be emphasized that for world-systems analysts, time and space—or rather that linked compound TimeSpace—are not unchanging external realities which are somehow just there, and within whose frames social reality exists. TimeSpaces are constantly evolving constructed realities whose construction is part and parcel of the social reality we are analyzing. The historical systems within which we live are indeed systemic, but they are historical as well. They remain the same over time yet are never the same from one minute to the next. This is a paradox, but not a contradiction. The ability to deal with this paradox, which we cannot circumvent, is the principal task of the historical social sciences. This is not a conundrum, but a challenge.

TimeSpace  
paradox.

## 2 The Modern World-System as a Capitalist World-Economy *Production, Surplus Value, and Polarization*

THE WORLD IN WHICH we are now living, the modern world-system, had its origins in the sixteenth century. This world-system was then located in only a part of the globe, primarily in parts of Europe and the Americas. It expanded over time to cover the whole globe. It is and has always been a world-economy. It is and has always been a capitalist world-economy. We should begin by explaining what these two terms, world-economy and capitalism, denote. It will then be easier to appreciate the historical contours of the modern world-system—its origins, its geography, its temporal development, and its contemporary structural crisis.

What we mean by a world-economy (Braudel's *économie-monde*) is a large geographic zone within which there is a division of labor and hence significant internal exchange of basic or essential goods as well as flows of capital and labor. A defining feature of a world-economy is that it is not bounded by a unitary political structure. Rather, there are many political units inside the world-economy, loosely tied together in our modern world-system in an interstate system. And a world-economy contains many cultures and groups—practicing many religions, speaking many languages, differing in their everyday patterns. This does not mean that they do not evolve some common cultural patterns, what we shall be calling a geoculture. It does mean that neither political nor cultural homogeneity is to be expected or found in a world-economy. What unifies the structure most is the division of labor which is constituted within it.

Capitalism is not the mere existence of persons or firms producing for sale (key)

on the market with the intention of obtaining a profit. Such persons or firms have existed for thousands of years all across the world. Nor is the existence of persons working for wages sufficient as a definition. Wage-labor has also been known for thousands of years. We are in a capitalist system only when the system gives priority to the endless accumulation of capital. Using such a definition, only the modern world-system has been a capitalist system. Endless accumulation is a quite simple concept: it means that people and firms are accumulating capital in order to accumulate still more capital, a process that is continual and endless. If we say that a system "gives priority" to such endless accumulation, it means that there exist structural mechanisms by which those who act with other motivations are penalized in some way, and are eventually eliminated from the social scene, whereas those who act with the appropriate motivations are rewarded and, if successful, enriched.

A world-economy and a capitalist system go together. Since world-economies lack the unifying cement of an overall political structure or a homogeneous culture, what holds them together is the efficacy of the division of labor. And this efficacy is a function of the constantly expanding wealth that a capitalist system provides. Until modern times, the world-economies that had been constructed either fell apart or were transformed *manu militari* into world-empires. Historically, the only world-economy to have survived for a long time has been the modern world-system, and that is because the capitalist system took root and became consolidated as its defining feature.

Conversely, a capitalist system cannot exist within any framework except that of a world-economy. We shall see that a capitalist system requires a very special relationship between economic producers and the holders of political power. If the latter are too strong, as in a world-empire, their interests will override those of the economic producers, and the endless accumulation of capital will cease to be a priority. Capitalists need a large market (hence minisystems are too narrow for them) but they also need a multiplicity of states, so that they can gain the advantages of working with states but also can circumvent states hostile to their interests in favor of states friendly to their interests. Only the existence of a multiplicity of states within the overall division of labor assures this possibility.

A capitalist world-economy is a collection of many institutions, the combination of which accounts for its processes, and all of which are intertwined with each other. The basic institutions are the market, or rather the markets; the firms that compete in the markets; the multiple states, within an interstate system; the households; the classes; and the status-groups (to use Weber's term, which some people in recent years have renamed the "identities"). They are all institutions that have been created within the

framework of the capitalist world-economy. Of course, such institutions have some similarities to institutions that existed in prior historical systems to which we have given the same or similar names. But using the same name to describe institutions located in different historical systems quite often confuses rather than clarifies analysis. It is better to think of the set of institutions of the modern world-system as contextually specific to it.

Let us start with markets since these are normally considered the essential feature of a capitalist system. A market is both a concrete local structure in which individuals or firms sell and buy goods, and a virtual institution across space where the same kind of exchange occurs. How large and widespread any virtual market is depends on the realistic alternatives that sellers and buyers have at a given time. In principle, in a capitalist world-economy the virtual market exists in the world-economy as a whole. But as we shall see, there are often interferences with these boundaries, creating narrower and more "protected" markets. There are of course separate virtual markets for all commodities as well as for capital and different kinds of labor. But over time, there can also be said to exist a single virtual world market for all the factors of production combined, despite all the barriers that exist to its free functioning. One can think of this complete virtual market as a magnet for all producers and buyers, whose pull is a constant political factor in the decision-making of everyone—the states, the firms, the households, the classes, and the status-groups (or identities). This complete virtual world market is a reality in that it influences all decision making, but it never functions fully and freely (that is, without interference). The totally free market functions as an ideology, a myth, and a constraining influence, but never as a day-to-day reality.

One of the reasons it is not a day-to-day reality is that a totally free market, were it ever to exist, would make impossible the endless accumulation of capital. This may seem a paradox because it is surely true that capitalism cannot function without markets, and it is also true that capitalists regularly say that they favor free markets. But capitalists in fact need not totally free markets but rather markets that are only partially free. The reason is clear. Suppose there really existed a world market in which all the factors of production were totally free, as our textbooks in economics usually define this—that is, one in which the factors flowed without restriction, in which there were a very large number of buyers and a very large number of sellers, and in which there was perfect information (meaning that all sellers and all buyers knew the exact state of all costs of production). In such a perfect market, it would always be possible for the buyers to bargain down the sellers to an absolutely minuscule level of profit (let us think of it as a penny), and this low level of profit would make the capitalist game entirely un-

CAPITALISM

priority to the

endless accumulation

of capital

↓

structural mechanisms

that shape

people's conduct

↓

relationship between

world economy and

politics

↓

relationship

between the

political and

the economic

power

↓

INSTITUTIONS

interesting to producers, removing the basic social underpinnings of such a system.

What sellers always prefer is a monopoly, for then they can create a relatively wide margin between the costs of production and the sales price, and thus realize high rates of profit. Of course, perfect monopolies are extremely difficult to create, and rare, but quasi-monopolies are not. What one needs most of all is the support of the machinery of a relatively strong state, one which can enforce a quasi-monopoly. There are many ways of doing this. One of the most fundamental is the system of patents which reserves rights in an "invention" for a specified number of years. This is what basically makes "new" products the most expensive for consumers and the most profitable for their producers. Of course, patents are often violated and in any case they eventually expire, but by and large they protect a quasi-monopoly for a time. Even so, production protected by patents usually remains only a quasi-monopoly, since there may be other similar products on the market that are not covered by the patent. This is why the normal situation for so-called leading products (that is, products that are both new and have an important share of the overall world market for commodities) is an oligopoly rather than an absolute monopoly. Oligopolies are however good enough to realize the desired high rate of profits, especially since the various firms often collude to minimize price competition.

Patents are not the only way in which states can create quasi-monopolies. State restrictions on imports and exports (so-called protectionist measures) are another. State subsidies and tax benefits are a third. The ability of strong states to use their muscle to prevent weaker states from creating counter-protectionist measures is still another. The role of the states as large-scale buyers of certain products willing to pay excessive prices is still another. Finally, regulations which impose a burden on producers may be relatively easy to absorb by large producers but crippling to smaller producers, an asymmetry which results in the elimination of the smaller producers from the market and thus increases the degree of oligopoly. The modalities by which states interfere with the virtual market are so extensive that they constitute a fundamental factor in determining prices and profits. Without such interferences, the capitalist system could not thrive and therefore could not survive.

Nonetheless, there are two inbuilt anti-monopolistic features in a capitalist world-economy. First of all, one producer's monopolistic advantage is another producer's loss. The losers will of course struggle politically to remove the advantages of the winners. They can do this by political struggle within the states where the monopolistic producers are located, appealing to

quasi-monopolies

oligopolies

state intervention to create and maintain oligopoly policies.

2

2. inbuilt anti-monopolistic features

political struggle of the losers.

doctrines of a free market and offering support to political leaders inclined to end a particular monopolistic advantage. Or they do this by persuading other states to defy the world market monopoly by using their state power to sustain competitive producers. Both methods are used. Therefore, over time, every quasi-monopoly is undone by the entry of further producers into the market.

Quasi-monopolies are thus self-liquidating. But they last long enough (say thirty years) to ensure considerable accumulation of capital by those who control the quasi-monopolies. When a quasi-monopoly does cease to exist, the large accumulators of capital simply move their capital to new leading products or whole new leading industries. The result is a cycle of leading products. Leading products have moderately short lives, but they are constantly succeeded by other leading industries. Thus the game continues. As for the once-leading industries past their prime, they become more and more "competitive," that is, less and less profitable. We see this pattern in action all the time.

Firms are the main actors in the market. Firms are normally the competitors of other firms operating in the same virtual market. They are also in conflict with those firms from whom they purchase inputs and those firms to which they sell their products. Fierce intercapitalist rivalry is the name of the game. And only the strongest and the most agile survive. One must remember that bankruptcy, or absorption by a more powerful firm, is the daily bread of capitalist enterprises. Not all capitalist entrepreneurs succeed in accumulating capital. Far from it. If they all succeeded, each would be likely to obtain very little capital. So, the repeated "failures" of firms not only weed out the weak competitors but are a condition sine qua non of the endless accumulation of capital. That is what explains the constant process of the concentration of capital.

To be sure, there is a downside to the growth of firms, either horizontally (in the same product), vertically (in the different steps in the chain of production), or what might be thought of as orthogonally (into other products not closely related). Size brings down costs through so-called economies of scale. But size adds costs of administration and coordination, and multiplies the risks of managerial inefficiencies. As a result of this contradiction, there has been a repeated zigzag process of firms getting larger and then getting smaller. But it has not at all been a simple up-and-down cycle. Rather, worldwide there has been a secular increase in the size of firms, the whole historical process taking the form of a ratchet, two steps up then one step back, continuously. The size of firms also has direct political implications. Large size gives firms more political clout but also makes them more

cycle of leading products  
capital accumulation

(10) firms

Process of the concentration of capital

growth of firms = economies of scale + managerial inefficiencies

implications



vulnerable to political assault—by their competitors, their employees, and their consumers. But here too the bottom line is an upward ratchet, toward more political influence over time.

The axial division of labor of a capitalist world-economy divides production into core-like products and peripheral products. Core-periphery is a relational concept. What we mean by core-periphery is the degree of profitability of the production processes. Since profitability is directly related to the degree of monopolization, what we essentially mean by core-like production processes is those that are controlled by quasi-monopolies. Peripheral processes are then those that are truly competitive. When exchange occurs, competitive products are in a weak position and quasi-monopolized products are in a strong position. As a result, there is a constant flow of surplus-value from the producers of peripheral products to the producers of core-like products. This has been called unequal exchange.

To be sure, unequal exchange is not the only way of moving accumulated capital from politically weak regions to politically strong regions. There is also plunder, often used extensively during the early days of incorporating new regions into the world-economy (consider, for example, the conquests and gold in the Americas). But plunder is self-liquidating. It is a case of killing the goose that lays the golden eggs. Still, since the consequences are middle-term and the advantages short-term, there still exists much plunder in the modern world-system, although we are often "scandalized" when we learn of it. When Enron goes bankrupt, after procedures that have moved enormous sums into the hands of a few managers, that is in fact plunder. When "privatizations" of erstwhile state property lead to its being garnered by mafia-like businessmen who quickly leave the country with destroyed enterprises in their wake, that is plunder. Self-liquidating, yes, but only after much damage has been done to the world's productive system, and indeed to the health of the capitalist world-economy.

Since quasi-monopolies depend on the patronage of strong states, they are largely located—juridically, physically, and in terms of ownership—within such states. There is therefore a geographical consequence of the core-peripheral relationship. Core-like processes tend to group themselves in a few states and to constitute the bulk of the production activity in such states. Peripheral processes tend to be scattered among a large number of states and to constitute the bulk of the production activity in these states. Thus, for shorthand purposes we can talk of core states and peripheral states, so long as we remember that we are really talking of a relationship between production processes. Some states have a near even mix of core-like and peripheral products. We may call them semiperipheral states. They

CORE-LIKE

PRODUCTS

PERIPHERAL

PRODUCTS

UNEQUAL EXCHANGE

(flow of surplus-

value)

↳ way of moving

← from politically

weak regions to

politically strong

ones.

→ PLUNDER

Another way of

moving accumulated

capital.

④ GEOGRAPHICAL

CONSEQUENCE OF

CORE-PERIPHERAL

RELATIONSHIP

have, as we shall see, special political properties. It is however not meaningful to speak of semiperipheral production processes.

Since, as we have seen, quasi-monopolies exhaust themselves, what is a core-like process today will become a peripheral process tomorrow. The economic history of the modern world-system is replete with the shift, or downgrading, of products, first to semiperipheral countries, and then to peripheral ones. If circa 1800 the production of textiles was possibly the preeminent core-like production process, by 2000 it was manifestly one of the least profitable peripheral production processes. In 1800 these textiles were produced primarily in a very few countries (notably England and some other countries of northwestern Europe); in 2000 textiles were produced in virtually every part of the world-system, especially cheap textiles. The process has been repeated with many other products. Think of steel, or automobiles, or even computers. This kind of shift has no effect on the structure of the system itself. In 2000 there were other core-like processes (e.g. aircraft production or genetic engineering) which were concentrated in a few countries. There have always been new core-like processes to replace those which become more competitive and then move out of the states in which they were originally located.

The role of each state is very different vis-à-vis productive processes depending on the mix of core-peripheral processes within it. The strong states, which contain a disproportionate share of core-like processes, tend to emphasize their role of protecting the quasi-monopolies of the core-like processes. The very weak states, which contain a disproportionate share of peripheral production processes, are usually unable to do very much to affect the axial division of labor, and in effect are largely forced to accept the lot that has been given them.

The semiperipheral states which have a relatively even mix of production processes find themselves in the most difficult situation. Under pressure from core states and putting pressure on peripheral states, their major concern is to keep themselves from slipping into the periphery and to do what they can to advance themselves toward the core. Neither is easy, and both require considerable state interference with the world market. These semiperipheral states are the ones that put forward most aggressively and most publicly so-called protectionist policies. They hope thereby to "protect" their production processes from the competition of stronger firms outside, while trying to improve the efficiency of the firms inside so as to compete better in the world market. They are eager recipients of the relocation of erstwhile leading products, which they define these days as achieving "economic development." In this effort, their competition comes not from the core states

(11)

STATES

The role of

CORE-STATES,

PERIPHERAL

STATES

and

SEMIPERIPHERAL

STATES

but from other semiperipheral states, equally eager to be the recipients of relocation which cannot go to all the eager aspirants simultaneously and to the same degree. In the beginning of the twenty-first century, some obvious countries to be labeled semiperipheral are South Korea, Brazil, and India—countries with strong enterprises that export products (for example steel, automobiles, pharmaceuticals) to peripheral zones, but that also regularly relate to core zones as importers of more “advanced” products.

The normal evolution of the leading industries—the slow dissolution of the quasi-monopolies—is what accounts for the cyclical rhythms of the world-economy. A major leading industry will be a major stimulus to the expansion of the world-economy and will result in considerable accumulation of capital. But it also normally leads to more extensive employment in the world-economy, higher wage-levels, and a general sense of relative prosperity. As more and more firms enter the market of the erstwhile quasi-monopoly, there will be “overproduction” (that is, too much production for the real effective demand at a given time) and consequently increased price competition (because of the demand squeeze), thus lowering the rates of profit. At some point, a buildup of unsold products results, and consequently a slowdown in further production.

When this happens, we tend to see a reversal of the cyclical curve of the world-economy. We talk of stagnation or recession in the world-economy. Rates of unemployment rise worldwide. Producers seek to reduce costs in order to maintain their share of the world market. One of the mechanisms is relocation of the production processes to zones that have historically lower wages, that is, to semiperipheral countries. This shift puts pressure on the wage levels in the processes still remaining in core zones, and wages there tend to become lower as well. Effective demand which was at first lacking because of overproduction now becomes lacking because of a reduction in earnings of the consumers. In such a situation, not all producers necessarily lose out. There is obviously acutely increased competition among the dilated oligopoly that is now engaged in these production processes. They fight each other furiously, usually with the aid of their state machineries. Some states and some producers succeed in “exporting unemployment” from one core state to the others. Systemically, there is contraction, but certain core states and especially certain semiperipheral states may seem to be doing quite well.

The process we have been describing—expansion of the world-economy when there are quasi-monopolistic leading industries and contraction in the world-economy when there is a lowering of the intensity of quasi-monopoly—can be drawn as an up-and-down curve of so-called A- (expansion) and B- (stagnation) phases. A cycle consisting of an A-phase followed



by a B-phase is sometimes referred to as a Kondratieff cycle, after the economist who described this phenomenon with clarity in the beginning of the twentieth century. Kondratieff cycles have up to now been more or less fifty to sixty years in length. Their exact length depends on the political measures taken by the states to avert a B-phase, and especially the measures to achieve recuperation from a B-phase on the basis of new leading industries that can stimulate a new A-phase.

A Kondratieff cycle, when it ends, never returns the situation to where it was at the beginning of the cycle. That is because what is done in the B-phase in order to get out of it and return to an A-phase changes in some important way the parameters of the world-system. The changes that solve the immediate (or short-run) problem of inadequate expansion of the world-economy (an essential element in maintaining the possibility of the endless accumulation of capital) restore a middle-run equilibrium but begin to create problems for the structure in the long run. The result is what we may call a secular trend. A secular trend should be thought of as a curve whose abscissa (or x-axis) records time and whose ordinate (or y-axis) measures a phenomenon by recording the proportion of some group that has a certain characteristic. If over time the percentage is moving upward in an overall linear fashion, it means by definition (since the ordinate is in percentages) that at some point it cannot continue to do so. We call this reaching the asymptote, or 100 percent point. No characteristic can be ascribed to more than 100 percent of any group. This means that as we solve the middle-run problems by moving up on the curve, we will eventually run into the long-run problem of approaching the asymptote.

Let us suggest one example of how this works in a capitalist world-economy. One of the problems we noted in the Kondratieff cycles is that at a certain point major production processes become less profitable, and these processes begin to relocate in order to reduce costs. Meanwhile, there is increasing unemployment in core zones, and this affects global effective demand. Individual firms reduce their costs, but the collectivity of firms finds it more difficult to find sufficient customers. One way to restore a sufficient level of world effective demand is to increase the pay levels of ordinary workers in core zones, something which has frequently occurred at the latter end of Kondratieff B-periods. This thereby creates the kind of effective demand that is necessary to provide sufficient customers for new leading products. But of course higher pay levels may mean lesser profits for the entrepreneurs. At a world level this can be compensated for by expanding the pool of wage workers elsewhere in the world, who are willing to work at a lower level of wages. This can be done by drawing new persons into the wage labor pool, for whom the lower wage represents in fact an increase in

real income. But of course every time one draws "new" persons into the wage-labor pool, one reduces the number of persons remaining outside the wage-labor pool. There will come a time when the pool is diminished to the point where it no longer exists effectively. We are reaching the asymptote. We shall return to this issue in the last chapter when we discuss the structural crisis of the twenty-first century.

Obviously, a capitalist system requires that there be workers who provide the labor for the productive processes. It is often said that these laborers are proletarians, that is, wage-workers who have no alternative means of support (because they are landless and without monetary or property reserves). This is not quite accurate. For one thing, it is unrealistic to think of workers as isolated individuals. Almost all workers are linked to other persons in household structures that normally group together persons of both sexes and of different age-levels. Many, perhaps most, of these household structures can be called families, but family ties are not necessarily the only mode by which households can be held together. Households often have common residences, but in fact less frequently than one thinks.

A typical household consists of three to ten persons who, over a long period (say thirty years or so), pool multiple sources of income in order to survive collectively. Households are not usually egalitarian structures internally nor are they unchanging structures (persons are born and die, enter or leave households, and in any case grow older and thus tend to alter their economic role). What distinguishes a household structure is some form of obligation to provide income for the group and to share in the consumption resulting from this income. Households are quite different from clans or tribes or other quite large and extended entities, which often share obligations of mutual security and identity but do not regularly share income. Or if there exist such large entities which are income-pooling, they are dysfunctional for the capitalist system.

We first must look at what the term income covers. There are in fact generically five kinds of income in the modern world system. And almost all households seek and obtain all five kinds, although in different proportions (which turns out to be very important). One obvious form is wage-income, by which is meant payment (usually in money form) by persons outside the household for work of a member of the household that is performed outside the household in some production process. Wage-income may be occasional or regular. It may be payment by time employed or by work accomplished (piecework). Wage-income has the advantage to the employer that it is "flexible" (that is, continued work is a function of the employer's need), although the trade union, other forms of syndical action by workers, and state legislation have often limited employers' flexibility in many ways. Still,

employers are almost never obligated to provide lifetime support to particular workers. Conversely, this system has the disadvantage to the employer that when more workers are needed, they may not be readily available for employment, especially if the economy is expanding. That is, in a system of wage-labor, the employer is trading not being required to pay workers in periods when they are not needed for the guarantee that the workers are available when they are needed.

A second obvious source of household income is subsistence activity. We usually define this type of work too narrowly, taking it to mean only the efforts of rural persons to grow food and produce necessities for their own consumption without passing through a market. This is indeed a form of subsistence production, and this kind of work has of course been on a sharp decline in the modern world-system, which is why we often say that subsistence production is disappearing. By using such a narrow definition, we are however neglecting the numerous ways in which subsistence activity is actually increasing in the modern world. When someone cooks a meal or washes dishes at home, this is subsistence production. When a homeowner assembles furniture bought from a store, this is subsistence production. And when a professional uses a computer to send an e-mail which, in an earlier day, a (paid) secretary would have typed, he or she is engaged in subsistence production. Subsistence production is a large part of household income today in the most economically wealthy zones of the capitalist world-economy.

A third kind of household income we might generically call petty commodity production. A petty commodity is defined as a product produced within the confines of the household but sold for cash on a wider market. (Obviously, this sort of production continues to be very widespread in the poorer zones of the world-economy but is not totally absent anywhere. In richer zones we often call it free-lancing. This kind of activity involves not only the marketing of produced goods (including of course intellectual goods) but also petty marketing. When a small boy sells on the street cigarettes or matches one by one to consumers who cannot afford to buy them in the normal quantity that is packaged, this boy is engaged in petty-commodity production, the production activity being simply the disassembly of the larger package and its transport to the street market.)

A fourth kind of income is what we can generically call rent. Rent can be drawn from some major capital investment (offering urban apartments for rent, or rooms within apartments) or from locational advantage (collecting a toll on a private bridge) or from capital ownership (clipping coupons on bonds, earning interest on a savings account). What makes it rent is that it is ownership and not work of any kind that makes possible the income.

Finally, there is a fifth kind of income, which in the modern world we call

(iv) household  
income sharing

INCOME FORMS:

- (i) wage-income
- (ii) subsistence activity
- (iii) petty commodity production
- (iv) rent
- (v) transfers

→ household  
demand se  
enclosed app?



transfer payments. These may be defined as income that comes to an individual by virtue of a defined obligation of someone else to provide this income. The transfer payments may come from persons close to the household, as when gifts or loans are given from one generation to the other at the time of birth, marriage, or death. Such transfer payments between households may be made on the basis of reciprocity (which in theory ensures no extra income over a lifetime but tends to smooth out liquidity needs). Or transfer payments may occur through the efforts of the state (in which case one's own money may simply be returning at a different moment in time), or through an insurance scheme (in which one may in the end benefit or lose), or through redistribution from one economic class to another.

As soon as we think about it, we all are familiar with the income-pooling that goes on in households. Picture a middle-class American family, in which the adult male has a job (and perhaps moonlights at a second), the adult female is a caterer operating out of her home, the teenage son has a paper route, and the twelve-year-old daughter babysits. Add in perhaps the grandmother who draws a widow's pension and who also occasionally babysits for a small child, and the room above the garage that is rented out. Or picture the working-class Mexican household in which the adult male has migrated to the United States illegally and is sending home money, the adult female is cultivating a plot at home, the teenage girl is working as a domestic (paid in money and in kind) in a wealthy Mexican's home, and the subteen boy is peddling small items in the town market after school (or instead of school). Each of us can elaborate many more such combinations.

In actual practice, few households are without all five kinds of income. But one should notice right away that the persons within the household who tend to provide the income may correlate with sex or age categories. That is to say, many of these tasks are gender- and age-defined. Wage-labor was for a long time largely considered the province of males between the ages of fourteen or eighteen to sixty-five. Subsistence and petty-commodity production have been for the most part defined as the province of adult women and of children and the aged. State transfer income has been largely linked to wage earning, except for certain transfers relating to child rearing. Much political activity of the last hundred years has been aimed at overcoming the gender specificity of these definitions.

As we have already noted, the relative importance of the various forms of income in particular households has varied widely. Let us distinguish two major varieties: the household where wage-income accounts for 50 percent or more of the total lifetime income, and the household where it accounts for less. Let us call the former a "proletarian household" (because it seems to be heavily dependent on wage-income, which is what the term proletarian is

supposed to invoke); and let us then call the latter a "semiproletarian household" (because there is doubtless at least some wage-income for most members of it). If we do this, we can see that an employer has an advantage in employing those wage-laborers who are in a semiproletarian household. Whenever wage-labor constitutes a substantial component of household income, there is necessarily a floor for how much the wage-earner can be paid. It must be an amount that represents at least a proportionate share of the reproduction costs of the household. This is what we can think of as an absolute minimum wage. If, however, the wage-earner is ensconced in a household that is only semiproletarian, the wage-earner can be paid a wage below the absolute minimum wage, without necessarily endangering the survival of the household. The difference can be made up by additional income provided from other sources and usually by other members of the household. What we see happening in such cases is that the other producers of income in the household are in effect transferring surplus-value to the employer of the wage-earner over and above whatever surplus-value the wage-earner himself is transferring, by permitting the employer to pay less than the absolute minimum wage.

It follows that in a capitalist system employers would in general prefer to employ wage-workers coming from semiproletarian households. There are however two pressures working in the other direction. One is the pressure of the wage-workers themselves who seek to be "proletarianized," because that in effect means being better paid. And one is the contradictory pressure on the employers themselves. Against their individual need to lower wages, there is their collective longer-term need to have a large enough effective demand in the world-economy to sustain the market for their products. So over time, as a result of these two very different pressures, there is a slow increase in the number of households that are proletarianized. Nonetheless, this description of the long-term trend is contrary to the traditional social science picture that capitalism as a system requires primarily proletarians as workers. If this were so, it would be difficult to explain why, after four to five hundred years, the proportion of proletarian workers is not much higher than it is. Rather than think of proletarianization as a capitalist necessity, it would be more useful to think of it as a locus of struggle, whose outcome has been a slow if steady increase, a secular trend moving toward its asymptote.

There are classes in a capitalist system, since there are clearly persons who are differently located in the economic system with different levels of income who have differing interests. For example, it is obviously in the interest of workers to seek an increase in their wages, and it is equally obviously in the interest of employers to resist these increases, at least in general. But, as we have just seen, wage-workers are ensconced in households. It makes no sense

PROLETARIANIZATION

Classes in the capitalist system

income tasks gender and age defined

proletarian and semiproletarian households

to think of the workers belonging to one class and other members of their household to another. It is obviously households, not individuals, that are located within classes. Individuals who wish to be class-mobile often find that they must withdraw from the households in which they are located and locate themselves in other households, in order to achieve such an objective. This is not easy but it is by no means impossible.

(vi)  
STATUS GROUPS  
and  
IDENTITIES

Classes however are not the only groups within which households locate themselves. They are also members of status-groups or identities. (If one calls them status-groups, one is emphasizing how they are perceived by others, a sort of objective criterion. If one calls them identities, one is emphasizing how they perceive themselves, a sort of subjective criterion. But under one name or the other, they are an institutional reality of the modern world-system.) Status-groups or identities are ascribed labels, since we are born into them, or at least we usually think we are born into them. It is on the whole rather difficult to join such groups voluntarily, although not impossible. These status-groups or identities are the numerous "peoples" of which all of us are members—nations, races, ethnic groups, religious communities, but also genders and categories of sexual preferences. Most of these categories are often alleged to be anachronistic leftovers of pre-modern times. This is quite wrong as a premise. Membership in status-groups or identities is very much a part of modernity. Far from dying out, they are actually growing in importance as the logic of a capitalist system unfolds further and consumes us more and more intensively.

If we argue that households locate themselves in a class, and all their members share this location, is this equally true of status-groups or identities? There does exist an enormous pressure within households to maintain a common identity, to be part of a single status-group or identity. This pressure is felt first of all by persons who are marrying and who are required, or at least pressured, to look within the status-group or identity for a partner. But obviously, the constant movement of individuals within the modern world-system plus the normative pressures to ignore status-group or identity membership in favor of meritocratic criteria have led to a considerable mixing of original identities within the framework of households. Nonetheless, what tends to happen in each household is an evolution toward a single identity, the emergence of new, often barely articulated status-group identities that precisely reify what began as a mixture, and thereby reunify the household in terms of status-group identities. One element in the demand to legitimate gay marriages is this felt pressure to reunify the identity of the household.

Why is it so important for households to maintain singular class and status-group identities, or at least pretend to maintain them? Such a homog-

enization of course aids in maintaining the unity of a household as an income-pooling unit and in overcoming any centrifugal tendencies that might arise because of internal inequalities in the distribution of consumption and decision making. It would however be a mistake to see this tendency as primarily an internal group defense mechanism. There are important benefits to the overall world-system from the homogenizing trends within household structures.

Households serve as the primary socializing agencies of the world-system. They seek to teach us, and particularly the young, knowledge of and respect for the social rules by which we are supposed to abide. They are of course seconded by state agencies such as schools and armies as well as by religious institutions and the media. But none of these come close to the households in actual impact. What however determines how the households will socialize their members? Largely how the secondary institutions frame the issues for the households, and their ability to do so effectively depends on the relative homogeneity of the households—that is, they have and see themselves as having a defined role in the historical social system. A household that is certain of its status-group identity—its nationality, its race, its religion, its ethnicity, its code of sexuality—knows exactly how to socialize its members. One whose identity is less certain but that tries to create a homogenized, even if novel, identity can do almost as well. A household that would openly avow a permanently split identity would find the socialization function almost impossible to do, and might find it difficult to survive as a group.

Of course, the powers that be in a social system always hope that socialization results in the acceptance of the very real hierarchies that are the product of the system. They also hope that socialization results in the internalization of the myths, the rhetoric, and the theorizing of the system. This does happen in part but never in full. Households also socialize members into rebellion, withdrawal, and deviance. To be sure, up to a point even such antisystemic socialization can be useful to the system by offering an outlet for restless spirits, provided that the overall system is in relative equilibrium. In that case, one can anticipate that the negative socializations may have at most a limited impact on the functioning of the system. But when the historical system comes into structural crisis, suddenly such antisystemic socializations can play a profoundly unsettling role for the system.

Thus far, we have merely cited class identification and status-group identification as the two alternative modes of collective expression for households. But obviously there are multiple kinds of status-groups, not always totally consonant one with the other. Furthermore, as historical time has moved on, the number of kinds of status-groups has grown, not diminished. In the late twentieth century, people often began to claim identities in terms

Socializing  
agencies

Households  
homogeneity

Antisystemic  
socialization



of sexual preferences which were not a basis for household construction in previous centuries. Since we are all involved in a multiplicity of status-groups or identities, the question arises whether there is a priority order of identities. In case of conflicts, which should prevail? Which does prevail? Can a household be homogeneous in terms of one identity but not in terms of another? The answer obviously is yes, but what are the consequences?

We must look at the pressures on households coming from outside. Most of the status-groups have some kind of trans-household institutional expression. And these institutions place direct pressure on the households not merely to conform to their norms and their collective strategies but to give them priority. Of the trans-household institutions, the states are the most successful in influencing the households because they have the most immediate weapons of pressure (the law, substantial benefits to distribute, the capacity to mobilize media). But wherever the state is less strong, the religious structures, the ethnic organizations, and similar groups may become the strongest voices insisting on the priorities of the households. Even when status-groups or identities describe themselves as antisystemic, they may still be in rivalry with other antisystemic status-groups or identities, demanding priority in allegiance. It is this complicated turmoil of household identities that underlies the roller coaster of political struggle within the modern world-system.

The complex relationships of the world-economy, the firms, the states, the households, and the trans-household institutions that link members of classes and status-groups are beset by two opposite—but symbiotic—ideological themes: universalism on the one hand and racism and sexism on the other.

Universalism is a theme prominently associated with the modern world-system. It is in many ways one of its boasts. Universalism means in general the priority to general rules applying equally to all persons, and therefore the rejection of particularistic preferences in most spheres. The only rules that are considered permissible within the framework of universalism are those which can be shown to apply directly to the narrowly defined proper functioning of the world-system.

The expressions of universalism are manifold. If we translate universalism to the level of the firm or the school, it means for example the assigning of persons to positions on the basis of their training and capacities (a practice otherwise known as meritocracy). If we translate it to the level of the household, it implies among other things that marriage should be contracted for reasons of "love" but not those of wealth or ethnicity or any other general particularism. If we translate it to the level of the state, it means such rules as universal suffrage and equality before the law. We are all familiar with the

TRANS -  
HOUSEHOLD  
INSTITUTIONS

UNIVERSALISM

mantras, since they are repeated with some regularity in public discourse. They are supposed to be the central focus of our socialization. Of course, we know that these mantras are unevenly advocated in various locales of the world-system (and we shall want to discuss why this is so), and we know that they are far from fully observed in practice. But they have become the official gospel of modernity.

Universalism is a positive norm, which means that most people assert their belief in it, and almost everyone claims that it is a virtue. Racism and sexism are just the opposite. They too are norms, but they are negative norms, in that most people deny their belief in them. Almost everyone declares that they are vices, yet nonetheless they are norms. What is more, the degree to which the negative norms of racism and sexism are observed is at least as high as, in fact for the most part much higher than, the virtuous norm of universalism. This may seem to be an anomaly. But it is not.

Let us look at what we mean by racism and sexism. Actually these are terms that came into widespread use only in the second half of the twentieth century. Racism and sexism are instances of a far wider phenomenon that has no convenient name, but that might be thought of as anti-universalism, or the active institutional discrimination against all the persons in a given status-group or identity. For each kind of identity, there is a social ranking. It can be a crude ranking, with two categories, or elaborate, with a whole ladder. But there is always a group on top in the ranking, and one or several groups at the bottom. These rankings are both worldwide and more local, and both kinds of ranking have enormous consequences in the lives of people and in the operation of the capitalist world-economy.

We are all quite familiar with the worldwide rankings within the modern world-system: men over women, Whites over Blacks (or non-Whites), adults over children (or the aged), educated over less educated, heterosexuals over gays and lesbians, the bourgeois and professionals over workers, urbanites over rural dwellers. Ethnic rankings are more local, but in every country, there is a dominant ethnicity and then the others. Religious rankings vary across the world, but in any particular zone everyone is aware of what they are. Nationalism often takes the form of constructing links between one side of each of the antinomies into fused categories, so that, for example, one might create the norm that adult White heterosexual males of particular ethnicities and religions are the only ones who would be considered "true" nationals.

There are several questions which this description brings to our attention. What is the point of professing universalism and practicing anti-universalism simultaneously? Why should there be so many varieties of anti-universalism?

RACISM AND  
SEXISM

IDENTITY OR  
STATUS - GROUP  
RANKINGS

Is this contradictory antinomy a necessary part of the modern world-system? Universalism and anti-universalism are in fact both operative day to day, but they operate in different arenas. Universalism tends to be the operative principle most strongly for what we could call the cadres of the world-system—neither those who are at the very top in terms of power and wealth, nor those who provide the large majority of the world's workers and ordinary people in all fields of work and all across the world, but rather an in-between group of people who have leadership or supervisory roles in various institutions. It is a norm that spells out the optimal recruitment mode for such technical, professional, and scientific personnel. This in-between group may be larger or smaller according to a country's location in the world-system and the local political situation. The stronger the country's economic position, the larger the group. Whenever universalism loses its hold even among the cadres in particular parts of the world-system, however, observers tend to see dysfunction, and quite immediately there emerge political pressures (both from within the country and from the rest of the world) to restore some degree of universalistic criteria.

There are two quite different reasons for this. On the one hand, universalism is believed to ensure relatively competent performance and thus make for a more efficient world-economy, which in turn improves the ability to accumulate capital. Hence, normally those who control production processes push for such universalistic criteria. Of course, universalistic criteria arouse resentment when they come into operation only after some particularistic criterion has been invoked. If the civil service is only open to persons of some particular religion or ethnicity, then the choice of persons within this category may be universalistic but the overall choice is not. If universalistic criteria are invoked only at the time of choice while ignoring the particularistic criteria by which individuals have access to the necessary prior training, again there is resentment. When, however, the choice is truly universalistic, resentment may still occur because choice involves exclusion, and we may get "populist" pressure for untested and unranked access to a position. Under these multiple circumstances, universalistic criteria play a major social-psychological role in legitimating meritocratic allocation. They make those who have attained the status of cadre feel justified in their advantage and ignore the ways in which the so-called universalistic criteria that permitted their access were not in fact fully universalistic, or ignore the claims of all the others to material benefits given primarily to cadres. The norm of universalism is an enormous comfort to those who are benefiting from the system. It makes them feel they deserve what they have.

On the other hand, racism, sexism, and other anti-universalistic norms perform equally important tasks in allocating work, power, and privilege

within the modern world-system. They seem to imply exclusions from the social arena. Actually they are really modes of inclusion, but of inclusion at inferior ranks. These norms exist to justify the lower ranking, to enforce the lower ranking, and perversely even to make it somewhat palatable to those who have the lower ranking. Anti-universalistic norms are presented as codifications of natural, eternal verities not subject to social modification. They are presented not merely as cultural verities but, implicitly or even explicitly, as biologically rooted necessities of the functioning of the human animal.

They become norms for the state, the workplace, the social arena. But they also become norms into which households are pushed to socialize their members, an effort that has been quite successful on the whole. They justify the polarization of the world-system. Since polarization has been increasing over time, racism, sexism, and other forms of anti-universalism have become ever more important, even though the political struggle against such forms of anti-universalism has also become more central to the functioning of the world-system.

The bottom line is that the modern world-system has made as a central, basic feature of its structure the simultaneous existence, propagation, and practice of both universalism and anti-universalism. This antinomic duo is as fundamental to the system as is the core-peripheral axial division of labor.

Antinomic duo

universalism and anti-universalism

state and  
world system